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Advancing the scientific understanding of trust in the contexts of negotiations and repeated bargaining

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INTRODUCTION

Advancing the scientific understanding of trust in the contexts of negotiations and repeated bargaining

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More than half a century ago, Deutsch (1949, 1958) recognised the critical role that trust plays in negotiations and related forms of social interactions. Despite this very early recognition, and rapidly expanding research on trust in several fields, only in recent decades have negotiation researchers begun a systematic exploration of trust in the contexts of negotiations and repeated bargaining. In the last two decades, researchers have increasingly focused their attention on the role of trust in negotiations (e.g. Campagna, Mislin, Kong, & Bottom, 2016; Gunia, Brett, Nandkeolyar, & Kamdar, 2011; Kong, 2015; Kong, Dirks, & Ferrin, 2014; Naquin & Paulson, 2003; Olekalns & Smith, 2005, 2007, 2009; Sinaceur, 2010) and also in repeated bargaining (e.g. Prisoner's Dilemma Game) interactions (e.g. Bottom, Gibson, Daniels, & Murnighan, 2002; Ferrin, Bligh, & Kohles, 2008; Lount, Zhong, Sivanathan, & Murnighan, 2008; Schweitzer, Hershey, & Bradlow, 2006).

This increasing scientific research echoes the intuitive beliefs advanced in practice that trust is elemental in mixed-motive negotiations and repeated bargaining. For example, the dilemma of trust and honesty (Kelley, 1966) highlights both the challenges and opportunities presented by the presence or absence of trust – and of being trusted – in negotiations. And fundamental strategies of cooperative negotiation, such as the now-ubiquitous 'win-win' approach (Fisher, Ury, & Patton, 1991), rely on trust-based information sharing and collaboration. Unfortunately, the broad assumptions made by practitioners about the importance and value of trust rest on a relatively thin scientific foundation, compared to other areas of practice and research that are considered to be similarly important. This is perhaps best exemplified by the scale of recent meta-analytic reviews, in which authors reported that after an extensive search for published and unpublished empirical studies, a total of 38 independent samples were found to be suitable for examining outcomes of trust in the context of interpersonal negotiations (Kong et al., 2014), and 25 independent samples were suitable for exploring determinants of trust in the context of interpersonal negotiations (Lu, Kong, Ferrin, & Dirks, 2017). In contrast to meta-analyses of trust in other important areas such as leadership (Dirks & Ferrin, 2002) and teams (De Jong, Dirks, & Gillespie, 2016), it seems that empirical efforts to understand trust in the contexts of negotiations and repeated bargaining are lagging. Beyond these quantitative reviews, contemporary narrative reviews of determinants and outcomes of trust in the contexts of negotiations and repeated bargaining are also absent.

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This relative scarcity of evidence is likely to have at least two undesirable results. First, to the extent that core assumptions and assertions in negotiation research, practice, and teaching are not rigorously supported, such research, practice, and teaching may be misguided. Second, the lack of research at the intersection of trust and negotiation is a lost opportunity. The opportunities for trust research informing negotiation research and vice versa are in fact immense. There is an irony that trust and negotiation research share similar 'DNA' – Deutsch's work on trust and cooperation – however they have evolved in different directions, in different environments, and surprisingly they have evolved to a certain degree in isolation from each other (Kong et al., 2014). So, the two areas have a partly different but overlapping set of research questions, different but overlapping theories, and different but overlapping methods.

In this Special Issue, we aim to address the gap and seize the opportunity noted above by presenting four articles that, together, advance theoretical understanding, provide valuable empirical evidence and rich empirical insights, provide clear practical implications, and advance scientific methods for studying trust in the contexts of negotiation and repeated bargaining.

Given that prior work has reported that interpersonal trust has clear benefits for negotiation effectiveness (Kong et al., 2014), it is practically as well as theoretically important to understand how trust develops in interpersonal negotiations. Lu et al.'s (2017) article addresses this question, and in so doing, also provides an integrative model which sheds conceptual as well as empirical light on the development of interpersonal trust in negotiations. Incorporating attribution theory and social exchange theory, the authors present and then meta-analytically test a conceptual framework that details the key factors predicting the development of interpersonal trust in the context of negotiations. Supporting their model, the meta-analyses provide empirical support for several trustor attributes (e.g. positive affect) and trustor–trustee shared attributes (e.g. pre-negotiation relationship) as predictors of interpersonal trust. Moreover, the work highlights important directions for future research, in particular noting that there exist surprisingly few studies examining how trustee attributes shape trust in interpersonal negotiations. Lu et al.'s article stands to significantly advance researchers' and practitioners' understanding of the antecedents of trust in interpersonal negotiations while also providing valuable insights to guide future research.

Caspi, Olekalns, and Druckman (2017) examine the role of trust in negotiators' choice of how to respond to a crisis during a negotiation. When facing a crisis at the negotiation table, a negotiator can choose either to continue or to discontinue a negotiation, and the authors have demonstrated that trust is an important factor in shaping this decision. Building on research showing the importance of trust in negotiations, the authors argued that the different bases of trust in negotiations (i.e. affect- vs. cognition-based trust) can have different implications for negotiators facing a crisis while negotiating. By incorporating regulatory focus theory into their model, the authors predicted that whether cognition- or affect-based trust in one's partner could predict one's desire for continuing the negotiation following a crisis was dependent on the negotiator's regulatory focus (i.e. promotion vs. prevention focus). Their findings in two experiments confirmed their hypothesis, showing that the interaction between regulatory focus and the type of trust indeed predicted the willingness to continue negotiating in the wake of a crisis. Caspi et al.'s (2017) article advances understanding by highlighting the need to move beyond merely considering the effects of high vs. low trust in one's negotiation partner, and shows the value of devoting research attention to both the type of trust (i.e. cognition- vs. affect-based trust) and individual mindsets (e.g. prevention vs. promotion focus).

Van Dijk, Makagonova, de Kwaadsteniet, and Schutter (2017) use a repeated bargaining design to propose a new paradigm for studying deterrence-based trust in bargaining. As they noted, initial trust building is largely based on deterrence. However, research on deterrence-based trust is scarce. In order to address this gap in the literature, they adapted the Trust Game to study both trust (Experiment 1) and trustworthiness (Experiment 2). Their new paradigm endows trustors with punitive power and allows trustors to either accept or reject the trustee's distribution, leading to varying consequences. Their article shows that although trustors are highly responsive to endowed punitive power, trustees are not responsive and still behave in a trustworthy manner. Van Dijk et al.'s article not only advances trust research within the game-theoretical paradigm but also sheds light on the potential of power and deterrence for influencing trust dynamics in negotiations and bargaining contexts.

Mathews (2017) provides new and intriguing perspectives on trust in negotiations. His article moves the analysis from the inter-individual level to the inter-organisational level, and focuses on how trust is established rather than how the presence or absence of trust influences negotiators' actions. Mathews's article draws on social exchange theory and the principle of reciprocity to examine how gift-giving aids in establishing and maintaining trust among small family-owned bar-turning firms. Of particular interest to negotiation scholars is the symbolic significance of the initial gift as a signalling device related to benevolence, initiating a reciprocal cycle of gift-giving and counter-giving that protects relationships into the future.

These four articles serve not only to address important gaps in the current scientific knowledge, they also shed light on additional research opportunities, particularly in theory building and methodological improvement, some of which we would like to highlight here.

Theory building

First, as Kramer (1999) noted, trust is history-based. So are negotiations and bargaining. Although some researchers have examined the role trust plays in repeated negotiations (e.g. Bottom, Holloway, Miller, Mislin, & Whitford, 2006; Campagna et al., 2016) and bargaining (Ferrin et al., 2008), we encourage researchers to design and conduct more complex studies to capture the role of trust as the currency linking repeated negotiations and bargaining and explaining the effectiveness of these repeated interactions. Second, although we have some understanding of the predictive role of trust in negotiations (Kong et al., 2014), we have a very rudimentary understanding of the determinants of trust in negotiations. Lu et al. (2017) have addressed this question in the context of dyadic negotiations, and yet trust determinants in the context of multiparty negotiations also need to be identified to advance trust and negotiation theory and provide guidance to negotiation practice. Third, although Lu et al. (2017) did not find a significant bivariate relationship between negotiators' power and trust, Van Dijk et al. (2017) revealed the potential of power for influencing trust dynamics in repeated bargaining. The relationship between power and trust is an under-examined topic deserving more attention in research on negotiations and repeated bargaining. Fourth, negotiations and repeated bargaining are embedded in organisational or social contexts. Therefore, it is important to take an open-systems (Bendersky & McGinn, 2010) or multi-level approach. Without taking contextual factors into account, our understanding is likely limited. Mathews (2017) stressed the importance of this issue. Fifth, trust has been conceptualised in various ways by negotiation and bargaining researchers (Kong et al., 2014), such as benevolence (Kong, 2015; Olekalns, Kulik, & Chew, 2014), integrity (Olekalns & Smith, 2007), combined benevolence/integrity (Bottom et al., 2006), and overall trust (Gunia et al., 2011). Benevolence may play a different role in predicting outcomes than integrity under certain circumstances (e.g. Campagna et al., 2016; Levine & Schweitzer, 2014), and benevolence or integrity (trustworthiness) may play a different predictive role than overall trust (an immediate outcome of trustworthiness; Mayer, Davis, & Schoorman, 1995) under certain circumstances. It may be a promising avenue for future research to investigate these differences. Sixth, how do trust and dispositional tendencies or other psychological states jointly predict negotiation behaviours and outcomes? By identifying the moderator role of regulatory focus for the relationship between trust and negotiation behaviours, Caspi et al. (2017) have shown the promise of this research direction. Finally, Kong et al. (2014) proposed a social exchange view on trust in the context of dyadic negotiations and Lu et al. (2017) proposed a framework based on social exchange and attribution theory. What other theoretical views can we propose to advance our inquiries regarding trust in the contexts of both dyadic and multiparty negotiations?

Methodological improvement

We would particularly like to highlight the opportunities for cross-fertilisation of methods from the negotiation literature to the trust literature and vice versa. Reviewing these literatures, we find that the strengths and weaknesses of the trust literature appear to complement the strengths and weaknesses of the negotiation literature to a large degree. One notable strength of the trust literature is its introduction of carefully constructed, developed, defended, and psychometrically validated constructs and measures (Mayer et al., 1995; Mayer & Gavin, 2005; McEvily & Tortoriello, 2011). Unfortunately, this rigour in conceptualisation and measurement of interpersonal trust has not been systematically adopted in the study of trust in the contexts of negotiations and repeated bargaining. Negotiation research will certainly be strengthened, and will advance more rapidly, when rigorous constructs and measures of trust are systematically adopted in empirical studies of negotiation. On the other hand, one weakness in the trust literature is that a large majority of the empirical evidence is drawn from field survey research which, by nature, provides a minimal basis for inferences about causality (Stone-Romero, 2011). Negotiations and repeated bargaining represent exemplars of human interactions that form the basis of leadership, teamwork, and other interactions within organisations. And negotiation research provides a research paradigm of interpersonal negotiation simulations that are considered to have a high degree of relevance to real-world interactions (particularly early stage interactions) and are also extremely amenable to laboratory experimental methods that can provide the high internal validity required for inferring causal relationships. The trust literature could benefit by utilising this paradigm to empirically assess the validity of many of its causal assumptions for which there is presently little empirical support. We also note that, by combining rigorous conceptualisation and measurement with a laboratory experimental paradigm, researchers should also have the necessary tools to tackle some of the most challenging questions in trust and negotiations: the dyadic, mutual vs. asymmetric, and potentially spiralling dynamics of relationship development, maintenance, and dissolution.

Inspired by the diversity of studies in this Special Issue, we would also like to note that negotiation/bargaining research and trust research are now so established as their own paradigms, that in designing hypothesis testing studies, researchers are much more likely to pursue 'gap-spotting' rather than identifying and challenging the two fields' boundaries (Alvesson & Sandberg, 2011). Thus, we particularly encourage novel research inquiries and designs such as inductive, qualitative, and multi-disciplinary research.

This Special Issue has focused primarily on advancing scientific understanding of trust in the contexts of negotiations and repeated bargaining. Meanwhile, we also recognise the immense challenges that practitioners face in building, managing, and repairing trust, and deciding how much to trust and how much to verify, in critical negotiations that range from the mundane (e.g. professionals negotiating with leaders, peers, or followers) to the extraordinarily complex (e.g. geopolitical negotiations dealing with peace, trade, defence, etc.). The gap between what is known scientifically and what needs to be known practically is truly daunting. Clearly, much more research is needed to advance scientific knowledge and the application of such knowledge to those countless, challenging negotiations that affect every one of us.

Thus we, the Editors of this Special Issue (Tony Kong, Robert Lount, and Mara Olekalns), together with Don Ferrin (former Deputy Editor-in-Chief of *Journal of Trust Research*), are delighted to introduce this Special Issue on trust in the contexts of negotiations and repeated bargaining. We believe that these four papers make important contributions on their own, and we are confident that they, together, will stimulate further research on this scientifically and practically important area.

Disclosure statement

No potential conflict of interest was reported by the authors.

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